Reg. No. | | | | | | | | | | | | |

BCMCMCN 402

Fourth Semester B.Com. Degree Examination, July/August 2023
(NEP – 2020)
(2022 – 23 Batch Onwards)
COSTING METHODS AND TECHNIQUES (DSCC)

Time : 2 Hours

Max. Marks : 60

SECTION – A

Answer **any five** of the following questions. **(5×2=10)**

1. What is Job costing ?
2. Explain any four features of contract costing.
3. What is meant by budgetary control ?
4. Write a note on abnormal loss and abnormal gain.
5. Diesel consumption – 8 kilometers per litre.

   Diesel cost – Rs. 100 per litre.

   Distance travelled by vehicle per month – 3200 kms, find out the total diesel cost per month.
6. From the following data, calculate BEP sales. Selling price – Rs. 40 per unit. Variable cost per unit Rs. 26, Total fixed cost Rs. 40,000.
7. What is contribution ?
8. What is standard costing ?

SECTION – B

Answer **any four** of the following questions. **(4×5=20)**

9. The following expenses were incurred on Job No. 100 of X Ltd.

   a) Materials ₹ 30,000

   b) Wages paid – Dept. A 40 hrs. @ ₹ 8 per hour

   Dept. B 50 hrs. @ ₹ 9 per hour

   Dept. C 60 hrs. @ ₹ 5 per hour.

c) Works overhead of these departments were estimated as under –

Dept. A ₹ 9,000 for 6000 working hrs.

Dept. B ₹ 10,000 for 5000 working hrs.

Dept. C ₹ 12,000 for 3000 working hrs.

Fixed overhead is estimated for the cost centre ₹ 10,000 for 10,000 working hours. You are required to calculate the cost of Job No. 100 and its price to be quoted, which would yield 20% profit on total cost.

10. Calculate the value of plant at the site on 31 December 2022, in contract costing and value of plant transferred to another contract from the following particulars.

Plant for the contract was purchased on 1 January 2022 for Rs. 1,05,000, its installation expenses was Rs. 5,000. Rs. 10,000 worth of plant was destroyed by fire.

On 1 October 2022, the plant was transferred to another contract and on the same day another plant was bought for Rs. 1,00,000.

Plant which cost Rs. 12,000 was returned to stores on 31 December 2022, rate of depreciation 10% p.a.

11. From the following particulars, calculate :

i) Material cost variance

ii) Material price variance

iii) Material usage variance

Actual quantity of material purchased and used is 3000 units, value of material purchased is Rs. 9,000 standard quantity of material 2000 units. Standard rate of material is Rs. 2 per unit.

12. From the following data for 60% activity, prepare a budget for 80% capacity.

Production at 60% activity – 600 units

Direct material Rs. 100 per unit

Direct expenses Rs. 10 per unit

Factory overhead Rs. 40,000 [40% fixed]

Labour cost Rs. 40 per unit

Administrative expenses Rs. 30,000 [60% fixed].

13. From the following details find out B.E.P. variable cost per unit Rs. 30, total fixed cost Rs. 1,08,000. Selling price per unit Rs. 40, what would be the selling price per unit if B.E.P. should be brought down to 6000 units.

14. Explain allocation of overheads under ABC.

SECTION – C

Answer **any two** of the following questions. **(2×15=30)**

15. From the following information of its cost and profit for the year 2020 and 2021.

Year	**Sales**	**Profit**
2020	14,00,000	2,00,000
2021	18,00,000	3,00,000

Calculate the following :

a) Profit volume ratio

b) Fixed expenses

c) Variable expenses

d) Margin of safety for 2020

e) The most likely profit when sales are Rs. 20,00,000

f) Break even point

g) Estimated sales when desired profit is Rs. 2,50,000.

16. Following particulars are from the books of a contractor on 31 December 2022.

Wages	₹ 6,75,000
General Stores	₹ 40,000
Indirect Expenses	₹ 35,000
Establishment charges	₹ 66,000
Inspection fees	₹ 15,000
Material scrap sold	₹ 6,000
Materials purchased	₹ 80,000
Materials transfer from other contract	₹ 2,00,000
Issued from central stores	₹ 5,50,000

A cement mixing plant was purchased on 1 January 2022 for Rs. 80,000, installation charges amounted Rs. 20,000.

Of the plant and materials charged to the contract, plant which cost Rs. 3,000 materials which cost Rs. 2,500 were lost on June 30, plant was transferred to another contract. An additional plant was purchased on 1 October for Rs. 2,00,000.

The contract price was Rs. 50 lakhs. Cash received on account to 31 December 2022 amounted to Rs. 20 lakhs being 80% of work certified. The cost of work done but not certified was Rs. 75,000. The value of material on hand was Rs. 20,000. Charge depreciation on plant at 10% on original cost method.

Prepare Contract Account. Show how work in progress account will appear in the Balance Sheet on 31 December 2022.

17. A product passes through three processes to completion. The following details are given for the month of June 2021.

Particulars	Process A	Process B	Process C
Direct materials	₹ 4,000	₹ 6,040	₹ 6,924
Direct wages	₹ 7,000	₹ 6,452	₹ 10,000
Factory overhead	₹ 3,000	₹ 4,000	₹ 5,000
Scrap value per unit	₹ 6	₹ 10	₹ 12
Actual production (units)	1,840	1,740	1,600
Normal loss	10%	5%	10%

2000 units were introduced to Process A at Rs. 5 per unit.

Output from Process C is sold after incurring selling expenses of Rs. 10,000 and Management expenses of Rs. 20,000 output of Process C was sold at a profit of ₹ 40,000.

You are required to prepare process accounts, abnormal loss account, abnormal gain account and income statement.

18. The following are the estimated transactions of Raddy Ltd. for the forthcoming period from March 2023 to September 2023.

Month	Sales	Purchases	Wages	Factory OH	Admn. OH	Selling OH
	₹	₹	₹	₹	₹	₹
March	2,45,000	1,10,000	44,000	35,000	27,000	25,000
April	3,66,000	1,23,000	47,000	40,000	28,000	27,000
May	3,91,000	1,34,000	50,000	44,000	28,000	30,000
June	4,12,000	1,56,000	53,000	47,000	29,000	34,000
July	4,39,000	1,47,000	58,000	51,000	30,000	36,000
August	4,52,000	1,53,000	62,000	54,000	32,000	38,000
September	4,11,000	1,45,000	66,000	59,000	32,000	40,000

Additional Information :

a) Cash sales is 50% of total sales. Half of credit sales is expected to be received in the month following sales and the other half of credit sales is expected to be collected in the second month following sales. 5% sales commission is payable on cash sales in the month following sales.

b) All purchases are paid in the second month following the purchases.

c) All wages are paid in the first week of the next month which wages are incurred.

d) Cash balance expected on 1 May 2023 is Rs. 45,000.

Prepare a cash budget for five months from May 2023.

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